

Capital Needs Assessment

Provide a copy of the Capital Needs Assessment performed on the property. ~~A Capital Needs Assessment represents an independent, experienced third party, with no financial interest in the Development (not a member of the Development team); professional (engineer/architect) opinion of a property's current overall physical condition and identifies significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural and mechanical integrity.~~

An independent, experienced third party must perform the Capital Needs Assessment and this party can have no financial interest in ownership of the development (i.e. not a member of the development team). It is required that a licensed professional, an engineer/architect, perform the assessment and supply the Authority with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity.

The assessment should include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis. The following components should be examined and analyzed for a capital needs assessment:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and lines;
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
- Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors;
- Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
- Elevators (if applicable)



A Capital Needs Assessment must provide the following information in the order and format below:

- A. Company Certification
- B. Executive Summary - Including a general building description, evaluation definitions, process used to create the Capital Needs Assessment (including interviews with the current owner and/or management company).
- C. Existing Building Systems and Conditions Summary
- D. Critical Repair Items Cost Summary – Including all health and safety deficiencies, violation of state or local building codes that require immediate correction.
 - a. Site and Grounds
 - b. Building Exteriors
 - c. Commons Areas
 - d. Building Interiors
- E. Rehab and Renovations Cost Summary – An estimate of the repairs, replacements and renovations that will be completed before the final placed in service date.
 - a. Site and Grounds
 - b. Building Exteriors
 - c. Common Areas
 - d. Building Interiors
 - e. Market Improvements
 - f. Contingency (not to exceed 15%)
- F. Long Term Physical Needs Cost Summary – An estimate of the repairs and replacements, during and beyond the final placed in service date, that will be required to maintain the properties physical integrity over the next 15 years.
 - a. Remaining Useful Life Schedule
- G. Physical Condition Inspection Report
- H. Site, Building and Floor Plans
- I. Capital Needs Assessment Certification* (Form C)
- J. Photo Log

IHCDA will, after receiving the application and the Capitol Needs Assessment, schedule a physical inspection of the development in order to verify the accuracy of the Capitol Needs Assessment submitted with the application. Additionally, IHCDA may make a report, which identifies deficiencies and/or inaccurate statements concerning the identification of repairs in the Capitol Needs Assessment submitted with the application.

*If the estimated dollar amounts presented are different from the actual Capital Needs Assessment and/or the application (Form A), please submit a detailed written explanation.

